I. Labor Market
II. GDP
III. Housing
IV. Energy
V. Health
VI. Fiscal Situation
Monthly Change in Private Payroll Employment

Thousands, Seasonally Adjusted


I. Labor Market
The Unemployment Rate Has Fallen Steadily—But the Long-Term Unemployment Rate Remains Significantly Elevated

Unemployment Rate by Duration

Percent of Civilian Labor Force

Jan-90 | Jan-95 | Jan-00 | Jan-05 | Jan-10

Unemployed for 26 Weeks or Less

Unemployed for 27 Weeks & Over

2001-07 Average

Nov-13

Recent Months of Real Wage Growth Have Been Strongest Since 2009...

Growth in Real Average Hourly Earnings for Production and Nonsupervisory Workers

12-Month Percent Change

...But Wage Inequality Continued its Decades-Long Increase

Usual Weekly Earnings for Full-Time Wage & Salary Workers, by Percentile

Ratio

- Ratio of 90th Percentile to 10th Percentile (Left Axis)
- Ratio of 90th Percentile to Median (Right Axis)

Real GDP Growth in Q3 Was the Strongest in Over a Year

Real Gross Domestic Product Growth

Annualized Quarterly Percent Change

Source: Bureau of Economic Analysis.
Vehicle Sales Rose to a 5-Year High in November

**Car and Light Truck Sales**

Millions of Units, Seasonally Adjusted Annual Rate

Source: Federal Reserve Board.
Residential Investment Has Contributed to Growth For 12 Straight Quarters...

Real Residential Investment: Quarterly Percent Change

Percent, Annual Rate

Source: Bureau of Economic Analysis.

II. GDP
...But Business Fixed Investment Has Grown More Slowly

Real Business Fixed Investment: Quarterly Percent Change

Source: Bureau of Economic Analysis.

II. GDP
The Trade Deficit Is Narrower than Pre-Crisis Years, Helped by a Falling Deficit in Petroleum Products—And the Current Account Deficit is the Lowest As a Share of the Economy Since 1998

**U.S. Merchandise Trade and Current Account Deficits**

Avg. Monthly Goods Trade Deficit, Bil. Chn. 09$  
Current Account Deficit Percent of GDP

*2013 based on merchandise trade data through October and average current account through Q3.

Source: Census Bureau; Bureau of Economic Analysis.
Housing Has Been Recovering and There Is Still Upside Potential

New Residential Construction: Building Permits

Thousands, Annual Rate

Source: Census Bureau.
Despite the Run-Up in Mortgage Rates, Home Prices Remain Affordable...

Composite Housing Affordability Index

Index (Median Income = Qualifying Income = 100)

Source: National Association of Realtors.
...But Higher Rates Have Dampened Refinancing Activity

Mortgage Rates and Refinancing Applications

Source: Mortgage Bankers Association; Freddie Mac.
Household Debt Service Payments are At Lowest on Record

Household Debt Service Ratio

Percent of Disposable Income

Note: Reflects estimated payments on mortgage and consumer debt.
Source: Federal Reserve Board.

III. Housing
The U.S. is Now Projected to Produce More Natural Gas and Total Liquid Fuels than Russia and Saudi Arabia

U.S., Russia, and Saudi Arabia Liquid Fuels and Natural Gas Production, 2008-2013 (est.)

Quadrillion British Thermal Units

Source: Energy Information Administration.
Domestic Oil Production Has Exceeded Imports For First Time Since 1995

Crude Oil Production & Imports

Millions of Barrels Per Day

Source: Energy Information Administration.

IV. Energy
Recent Years of Health Care Cost Growth Are Lowest On Record

Real Per Capita Growth in National Health Expenditures

Percent

*Data for 2012 and 2013 are projections.
Source: CEA calculations based on data from the Centers for Medicare and Medicaid Services and the Bureau of Economic Analysis.
Data for 2012 and 2013 are projections.
Source: CEA calculations based on data from the Centers for Medicare and Medicaid Services and the Bureau of Economic Analysis.

*Data for 2012 and 2013 are projections.
Source: CEA calculations based on data from the Centers for Medicare and Medicaid Services and the Bureau of Economic Analysis.

V. Health Care
The Budget Deficit Has Fallen Rapidly – the President’s Proposals Would Stabilize Debt as a Percentage of GDP Over The Next 10 Years

Federal Budget Deficit

Percent of GDP (Fiscal Year)

Source: Office of Management and Budget; Congressional Budget Office.
The Decline in the Deficit Since FY2009 Represents the Largest Four-Year Improvement Since the Demobilization from WWII

Largest Post-War Four-Year Deficit Reductions

<table>
<thead>
<tr>
<th>Period</th>
<th>Percent of GDP (Fiscal Year)</th>
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<tbody>
<tr>
<td>2009-2013</td>
<td>5.7</td>
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<tr>
<td>1996-2000</td>
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<td>1992-1996</td>
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<td>1983-1987</td>
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Source: Office of Management and Budget; Congressional Budget Office.

VI. Fiscal Situation
Slowing Cost Growth Has Contributed to Lower Cost Estimates for Medicare and Medicaid

Recent CBO Projections of Medicare and Medicaid Outlays

Percent of GDP

Source: Congressional Budget Office.